

A Tale of Two Economies?

Yes, such a dichotomy exists in Utah.

Often when one enters into a dialogue about the Utah economy, one person will ask a question about the health of the rural Utah economy. This question implies that Utah has two economies at work—the economy of its metropolitan area, and that of its remaining “rural” counties. There is actually strong evidence to suggest that such a dichotomy exists. Roughly 80 percent of the state’s economy is concentrated in a geography that encompasses only 20 percent of the state’s land mass (the metropolitan area). The state economy’s remaining 20 percent stretches across 80 percent of the land mass. Given Utah’s size, that makes for some economic activity that is isolated and beyond the sphere of the metropolitan core.

History shows that, over the long run, these “metro” and “rural” economies largely move in unison. When the metro area grows, growth and prosperity also spill into the rural communities. But in short-run environments, these economies may not perform in unison—such as they are doing now.

The main Utah employment story of the past four years was a residential construction boom and how much it added to the Utah employment picture. But what was booming has now gone bust. If you were a Utah county that experienced a housing boom, then you are currently a Utah county with a housing bust. Because of that, there is a difference in terms of how the individual Utah coun-

ties are currently fairing. There is a marked rural-vs.-metro economic performance dichotomy currently underway. Rural economies, which didn’t see much in the way of a housing boom, are still performing relatively well. Conversely, metropolitan counties, where the housing boom resided, are stumbling and, in many cases, are already on the negative side of the employment ledger. These include Davis, Utah, Washington, Tooele, Morgan, Wasatch, and Iron counties (Salt Lake isn’t far behind). Currently, it’s a tale of two economies. ■



DID YOU KNOW?

- Utah's job growth stalled at 0.3 percent in August, the lowest monthly employment growth rate since August 2003.
<http://deseretnews.com/article/1,5143,700259388,00.html>
- Uranium mining will resume at two underground mines on claims in Grand County, Utah, and Mesa County, Colo.
<http://deseretnews.com/article/1,5143,700258421,00.html>
- The Governors Office of Economic Development says the economic impact of the film industry was \$138 million in the past year.
http://www.sltrib.com/news/ci_10488722

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